Capacity utilisation of oil refineries

1814. SHRI GHULAM NABI AZAD: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the high international prices have affected the bottomlines of most refining companies as they are finding it hard to sustain the minimum gross margin level;

(b) if so, the refineries particularly in the public sectors which are unable to fully utilise the installed capacity;

(c) whether one of the biggest refinery in the private sector has managed to earn huge profits than the refineries in the public sector; and

(d) if so, the reasons therefor and the steps taken to make the refineries in the public sector achieve the maximum capacity utilisation with a view to increase their profit?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI SANTOSH GANGWAR): (a) Yes, Sir. Refinery projects are affected with increase in crude oil prices without commensurate increase in product prices.

(b) Refinery-wise installed capacity *vis-a-vis* actual capacity utilization for the last three years are given in the statement (*See* below).

(c) M/s Reliance Petroleum Limited has reported profits for the year 2000-01.

(d) The gross margin level of refineries gets affected for the reason that increase in the prices of crude oil normally does not follow commensurate increase in the product prices in the international market. The capacity utilisation of a refinery depends on number of factors including refinery on stream days, technical snag etc. whereas the profitability depends on individual refinery's configuration, product pattern, management etc.. Consequent to the Government decision taken in November, 1997, the retention system of pricing for the refineries have been abolished with effect from 1.4.1998. Refineries are now being paid for the controlled petroleum products at import parity basis.

Statement

Refineries installed capacities and Crude Oil throughout during the last three years

Capacity in Million Tonnes

	1998-99			1999-2000			2000-2001		
	Capacity as on 1.4.98	Actual	% Utilisation	Capacity as on 1.4.99	Actual	% Utilisation	Capacity as on 1.4.2000	Actual	% Utilisation
IOC Refineries									
IOC- Mathura	7.50	8.91	118.8	7.50	8.13	108.3	7.50	7.13	95.1
IOC-Koyali	9.50	10.94	115.1	9.50	11.11	116.9	12.50	12.00	96.0
IOC-Haldia	3.75	4.71	125.7	3.75	4.11	109.5	3.75	3.87	103.3
IOC-Barauni	3.30	2.20	66.8	3.30	3.41	103.4	4.20	3.12	74.3
IOC-Gauhati	1.00	0.84	83.6	1.00	0.91	91.4	1.00	0.71	70.8
IOC-Digboi	0.65	0.55	85.2	0.65	0.60	92.8	0.65	0.68	104.5
IOC-Panipat		2.21		6.00	4.15	69.2	6.00	5.71	95.1
IOCL	25.70	30.36	118.1	31.70	32.42	102.3	35.60	33.23	93.3
HP Refineries									
HP-Mumbai	5.50	5.21	94.6	5.50	6.00	109.1	5.50	5.58	101.4
HP-Visakh	4.50	3.86	85.8	4.50	4.55	101.2	7.50	6.41	85.4
HPCL	10.00	9.07	90.7	10.00	10.56	105.6	13.00	11.98	92.2
BPCL	6.00	8.87	147.9	6.90	8.90	129.0	6.90	8.66	125.5
CPCL Refineries									
CPCL-Madras	6.50	6.10	93.9	6.50	6.38	98.1	6.50	6.05	93.0
CPCL-Narimanam	0.50	0.64	128.8	0.50	0.64	127.2	0.50	0.58	115.8
CPCL	7.00	6.75	96.4	7.00	7.01	100.2	7.00	6.63	94.6

	1998-99			1999-2000			2000-2001		
	Capacity as on 1.4.98	Actual	% Utilisation	Capacity as on 1.4.99	Actual	% Utilisation	Capacity as on 1.4.2000	Actual	% Utilisation
KRL	7.50	7.77	103.6	7.50	7.83	104.4	7.50	7.52	100.3
BRPL	2.35	1.66	70.4	2.35	1.91	81.1	2.35	1.49	63.4
NRL-Numaligarh					0.21		3.00	1.45	48.4
SUB-TOTAL: PSU Ref.	58.55	64.47	110.1	65.45	68.83	105.2	75.35	70.95	94.2
MRPL (JV)	3.69	4.07	110.3	3.69	5.20	141.0	9.69	6.44	66.4
RPL-Jamnagar					11.67		27.00	25.72	95.2
SUB-TOTAL JVC/PVT Ref.	3.69	4.07	110.3	3.69	16.88		36.69	32.15	87.6
GRAND TOTAL:	62.24	68.54	110.1	69.14	85.71	124.0	112.04	103.11	92.0